

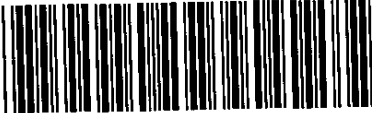
GLENHOLME SENIOR LIVING LIMITED

FINANCIAL STATEMENTS

31 MARCH 2020

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GLENHOLME SENIOR LIVING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

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GLENHOLME SENIOR LIVING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

K W Phippen
D M Serratt
S J McLaughlan

COMPANY SECRETARY

S J McLaughlan

REGISTERED OFFICE

79 High Street
Eton
Windsor
Berkshire
SL4 6AF

GLENHOLME SENIOR LIVING LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2020

The directors have pleasure in presenting their strategic review for the year to 31 March 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of residential care to the elderly. The company opened its first elderly care home Holdingham Grange (64 bed) in Sleaford in July 2018 and during the year built and completed Holdingham House (16 bed) next door to Holdingham Grange. This home is expected to open in July 2020.

KEY PERFORMANCE INDICATORS

The company monitors its performance against strategic objectives by means of key performance indicators. The main KPIs it uses are orientated around gross profit margin and turnover. These are summarised thus:

	2020	2019
	£	£
Turnover	1,477,302	641,591
Gross profit / (loss) %	1%	(27)%
EBITDA	152,502	(102,236)
Number of employees	51	24
Residential beds	64	64
Residential Occupancy %	55%	30%

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties that are facing the company are common for a company of this size. These are:

- (a) Maintaining working capital during periods of growth
- (b) The inherent risk attached to the acquisition of new companies and businesses
- (c) Retention and recruitment of staff with appropriate skills
- (d) Maintaining and improving customer satisfaction
- (e) Maintaining and improving quality standards with the Care Commission

The company has successfully controlled and managed these risks by:

- (a) Regular cash flow forecasts and cash collection
- (b) Board level due diligence teams for acquisitions
- (c) Maintaining profitability
- (d) Monitoring occupancy levels
- (e) Staff training and development program
- (f) Staff exit interviews

FUTURE DEVELOPMENTS

The company expects to improve its financial performance by a policy of controlled growth.

Approved by the directors on 20th October 2020 and signed on their behalf by:



K W Phippen
Managing Director

GLENHOLME SENIOR LIVING LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements of the company for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of residential care to the elderly. The company opened its first elderly care home Holdingham Grange (64 bed) in Sleaford in July 2018 and during the year built and completed Holdingham House (16 bed) next door to Holdingham Grange. This home is expected to open in July 2020.

DIRECTORS

The directors who served the company during the year were as follows:

K W Phippen
D M Serratt
S J McLaughlan

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Glenholme Healthcare Group Ltd issued a guarantee against all outstanding liabilities to which the company is subject as at 31 March 2020, until they are satisfied in full. The guarantee is enforceable against Glenholme Healthcare Group Ltd by any person to whom the company is liable in respect of those liabilities. Since Glenholme Healthcare Group Ltd is the smallest group to which the company's accounts are consolidated the company has taken advantage of the exemption from audit of its individual accounts for the ended 31 March 2020 by virtue of section 479A of the Companies Act 2006.

GLENHOLME SENIOR LIVING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GLENHOLME SENIOR LIVING LIMITED

YEAR ENDED 31 MARCH 2020

STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

Signed on behalf of the directors on 20th October 2020



S J McLaughlan
Company secretary

Registered office:
79 High Street
Eton
Windsor
Berkshire
SL4 6AF

GLENHOLME SENIOR LIVING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
TURNOVER		1,477,302	641,591
Cost of sales		(1,472,972)	(817,550)
GROSS Profit		4,330	(175,959)
Administrative expenses		(55,534)	(71,903)
OPERATING LOSS	3	(51,204)	(247,862)
Interest payable and similar charges	5	(166,593)	(161,922)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(217,797)	(409,784)
Tax on profit on ordinary activities	6	6,055	63,687
LOSS FOR THE FINANCIAL YEAR		(211,742)	(346,097)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Revaluation of fixed assets		1,402,952	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,191,210	(346,097)

Turnover arose from the principal activity.

All the activities of the company are from continuing operations.

The notes on pages 8 to 14 form part of these financial statements.

GLENHOLME SENIOR LIVING LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2020

	Notes	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	7		10,302,215		6,387,060
CURRENT ASSETS					
Stock	8	1,860		1,650	
Debtors	9	160,333		175,630	
Cash at bank		33,853		250,970	
		196,046		428,250	
CREDITORS: Amounts falling due within one year	10	(5,916,135)		(3,641,935)	
NET CURRENT LIABILITIES			(5,720,089)		(3,213,685)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,582,126		3,173,375
CREDITORS: Amounts falling due after more than one year	11		(3,359,508)		(3,465,000)
Deferred Tax	12		(377,405)		(54,372)
NET ASSETS			845,213		(345,997)
CAPITAL AND RESERVES					
Called-up equity share capital	13		100		100
Revaluation Reserve	14		1,402,952		-
Profit and loss account	15		(557,839)		(346,097)
SHAREHOLDERS' FUNDS			845,213		(345,997)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibility for complying with requirements of the Act with respect to accounting records and preparation of accounts.

These accounts were approved by the directors and authorised for issue on 20th October 2020, and are signed on their behalf by:



S J McLaughlan

Company Registration Number: 10015774

The notes on pages 10 to 16 form part of these financial statements.

GLENHOLME SENIOR LIVING LIMITED

STATEMENT OF CHANGES IN EQUITY 31 MARCH 2020

	Called up share capital	Revaluation Reserve	Profit and Loss account	Total
	£	£	£	£
At 1 April 2018	100	-	-	100
Loss for the financial year		-	(346,097)	(346,097)
At 31 March 2019	100	-	(346,097)	(345,997)
Loss for the financial year		-	(211,742)	(211,742)
Revaluation in the year	-	1,402,952	-	1,402,952
At 31 March 2020	100	1,402,952	(557,839)	845,213

The notes on pages 10 to 16 form part of these financial statements.

GLENHOLME SENIOR LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

1. STATEMENT OF COMPLIANCE AND COMPANY INFORMATION

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Glenholme Senior Living Limited is a private company, limited by shares and is incorporated & domiciled in England, United Kingdom under the Companies Act 2006. The address of its registered office and principal place of business are disclosed on page 1.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of The Glenholme Healthcare Group Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue Recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied, rents receivable and services rendered, net of discounts and Value Added Tax where applicable.

GLENHOLME SENIOR LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

2 ACCOUNTING POLICIES continued

Current tax and deferred taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	- over 50 years
Freehold Land	- no depreciation
Motor vehicles	- 25% straight line
Equipment	- 20%-33% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

GLENHOLME SENIOR LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

3. OPERATING LOSS

Operating loss is stated after charging:

	2020 £	2019 £
Depreciation of owned fixed assets	175,706	145,626
Auditor's fees	-	2,750
	<u>175,706</u>	<u>148,376</u>

4. DIRECTORS AND STAFF

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020 No	2019 No
Care staff	51	24
	<u>51</u>	<u>24</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020 £	2019 £
Wages and salaries	846,308	427,804
Social security costs	52,961	31,726
Cost of defined pension contributions	23,394	7,906
	<u>922,663</u>	<u>467,436</u>

No director who is not also a holding company director received any remuneration

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
Interest payable on bank borrowing	<u>166,593</u>	<u>161,922</u>

GLENHOLME SENIOR LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

6. TAX ON LOSS ON ORDINARY ACTIVITIES

Major components of tax expense

	2020 £	2019 £
Current tax		
UK current tax (reclaimed) / expense	(102,928)	(118,059)
Deferred tax		
Origination and reversal of timing differences	96,873	54,372
	<u>(6,055)</u>	<u>(63,687)</u>

Reconciliation of tax expense

The tax assessed on the result on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 17% (2019: 19%).

	£	£
Loss on ordinary activities before taxation	<u>(217,797)</u>	<u>(409,784)</u>
Loss on ordinary activities by rate of tax of 19% (2019:19%)	(41,381)	(77,859)
Effect of expenses not deductible for tax purposes	-	40
Depreciation on non eligible assets	35,326	14,132
	<u>(6,055)</u>	<u>(63,687)</u>

GLENHOLME SENIOR LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Motor Vehicle £	Fixtures, fittings & equipment £	Total £
COST OR REVALUATION				
At 1 April 2019	6,073,614	21,660	437,412	6,532,686
Additions	1,433,944	-	952,877	2,386,821
Revaluation	1,558,413	-	-	1,558,413
At 31 March 2020	9,065,971	21,660	1,390,289	10,477,920
DEPRECIATION				
At 1 April 2019	74,381	1,808	69,437	145,626
Charge for the year	99,246	5,424	99,036	203,706
Revaluation	(173,627)	-	-	(173,627)
At 31 March 2020	-	7,232	168,473	175,705
NET BOOK VALUE				
At 31 March 2020	9,065,971	14,428	1,221,816	10,302,215
At 31 March 2019	5,999,233	19,852	367,975	6,387,060

The freehold property in Sleaford known as Holdingham Grange was valued by Knight Frank, Chartered Surveyors on 28 May 2019. This valuation is not materially different to the value as at the year end.

Had the land and buildings not been re-valued:

	2020
	£
Cost	7,507,558
Accumulated depreciation	(173,627)
	<u>7,333,931</u>
Charge for the year	<u>99,246</u>

8. STOCK

	2020	2019
	£	£
Finished goods	<u>1,860</u>	<u>1,650</u>

9. DEBTORS

	2020	2019
	£	£
Trade debtors	74,962	113,249
Accrued income	-	2,549
Prepayments	85,371	59,833
	<u>160,333</u>	<u>175,631</u>

GLENHOLME SENIOR LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

10. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	182,750	190,000
Amounts due to parent company	5,636,643	3,378,704
Accruals	96,742	73,231
	<u>5,916,135</u>	<u>3,641,935</u>

11. CREDITORS: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	<u>3,359,508</u>	<u>3,465,000</u>

Analysis of bank loans is as follows:

	2020 £	2019 £
Due < 1 year	182,750	190,000
Due > 1 year and < 5 years	3,359,508	3,465,000
Due > 5 years	-	-
	<u>3,542,258</u>	<u>3,655,000</u>

The bank loan is secured by a legal charge over all the assets held by the company and accrues interest at 4.0% above the bank base rate.

12. DEFERRED TAX

	2020 £	2019 £
Balance brought forward	54,372	-
Charged to the profit and loss account	(6,055)	54,372
Charged to the revaluation reserve	329,088	-
	<u>377,405</u>	<u>54,372</u>

	2020 £	2019 £
Excess of taxation allowances over depreciation on fixed assets	151,245	54,372
Losses not utilised in the year	(102,928)	-
Capital gain on the properties	329,088	-
	<u>377,405</u>	<u>54,372</u>

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2020		2019	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

GLENHOLME SENIOR LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

14. REVALUATION RESERVE

	2020 £	2019 £
Balance brought forward	-	-
Revaluation in the year	1,402,952	-
Balance carried forward	<u>1,402,952</u>	<u>-</u>

Revaluation reserve - This reserve records the unrealised gain on properties.

15. PROFIT AND LOSS ACCOUNT

	2020 £	2019 £
Balance brought forward	(346,097)	-
Loss for the financial year	<u>(211,742)</u>	<u>(346,097)</u>
Balance carried forward	<u>(557,839)</u>	<u>(346,097)</u>

Profit and loss account - This reserve records retained earnings and accumulated losses.

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose transactions with the ultimate parent undertaking and those subsidiary undertakings, where the group controls 100% of those companies' voting rights.

17. CAPITAL COMMITMENTS

In the prior year the company had Board Approval for the construction of Sleaford 2, a 16 bed Challenging Behaviour unit for £2.3m. Construction of this building commenced in May 2019 and completed on time in January 2020. There are no capital commitments in the current year.

18. ULTIMATE CONTROLLING COMPANY

The smallest and largest group of undertakings for which group accounts are drawn up are those headed by Glenholme Healthcare Group Ltd. Copies of the group financial statements are publicly available at Companies House or the company's registered office at 79 High Street, Eton, SL4 6AF.